

IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA :

v. : **CRIMINAL. NO. 04-**

WALTER BARNES : **DATE FILED:**

a/k/a “Carrington Cooper,”
a/k/a “Michael Bridges,” and

: **VIOLATIONS:**

MICHAEL COUCH

a/k/a “Mychal Couch,”
a/k/a “Roemella Montana,”
a/k/a “ Michael Bridges”

18 U.S.C. § 371(Conspiracy - 1 count)
18 U.S.C. § 1343 (Wire fraud - 4 counts)
: **18 U.S.C. § 1956 (Money laundering - 8 counts)**
18 U.S.C. § 2 (Aiding and abetting)

:

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

1. Defendant WALTER BARNES operated a “business” known as CBW and Associates, at various locations, including Two Bala Plaza, Suite 300, Bala Cynwyd Plaza, Bala Cynwyd, Pennsylvania.

2. Ameriquest was a corporation that acted as a mortgage lender and had its principal place of business in Orange, California. In evaluating and determining whether to approve residential loans, Ameriquest relied upon loan applications and other documents submitted by borrowers.

3. Defendant MICHAEL COUCH was employed as an account executive at Ameriquest in its Trevose, Pennsylvania office from in or about November 1998 through in or

about April 1999. COUCH processed residential loan applications for mortgages.

4. From in or about 1998 through in or about May 1999, defendant WALTER BARNES acted as a mortgage broker and consultant to borrowers in obtaining mortgages for residential properties.

5. From in or about November 1998, to in or about June 1999, defendants

WALTER BARNES

a/k/a “Carrington Cooper,”

a/k/a “Michael Bridges,” and

MICHAEL COUCH

a/k/a “Mychal Couch,”

a/k/a “Roemella Montana,”

a/k/a “Michael Bridges,”

conspired and agreed, together and with others known and unknown to the grand jury, to commit an offense against the United States, that is, wire fraud, in that defendants and coconspirators conspired to devise a scheme to defraud mortgage lenders and to obtain money and property by means of false and fraudulent pretenses, representations and promises, in violation of Title 18, United States Code, Section 1343.

MANNER AND MEANS

It was part of the scheme that:

6. Defendant WALTER BARNES acted as a mortgage broker on behalf of individuals who were purchasing properties with no downpayment.

7. Defendant MICHAEL COUCH processed Ameriquest loan applications for borrowers who were his clients and for those who were clients of defendant WALTER BARNES.

8. Although most of the borrowers were purchasing the properties,

defendants WALTER BARNES and MICHAEL COUCH falsely stated on the loan applications submitted to Ameriquest that the transactions were refinances, thus making it appear that the borrowers were seeking to “cash out” equity to pay off debts and perform home repairs/improvements.

9. In order to disguise the transactions as a refinance, defendant WALTER BARNES submitted to Ameriquest false deeds, false installment contracts, and forged cancelled checks purporting to show that the borrowers had purchased, had acquired an interest in, and had repaired the properties prior to settlement on the Ameriquest loan transactions.

10. In an effort to increase the apparent income and assets of the borrowers, defendant WALTER BARNES provided false financial and employment information for the borrowers to defendant MICHAEL COUCH for inclusion on the loan applications submitted to Ameriquest, including: false employment information and inflated earnings, income and assets.

11. In an effort to increase the apparent income and assets of the borrowers, defendant WALTER BARNES provided to defendant MICHAEL COUCH for submission to Ameriquest false documents including false tax returns, false W-2s, and false pay stubs.

12. Defendant WALTER BARNES submitted to Ameriquest inflated appraisals so that the borrowers could qualify for larger loans.

13. To disguise their activities from Ameriquest, defendants WALTER BARNES and MICHAEL COUCH also used aliases. For example, BARNES and COUCH used the alias of “Michael Bridges” to obtain a mortgage from Ameriquest on a property.

14. Defendants WALTER BARNES and MICHAEL COUCH caused Ameriquest to fund mortgage loans based on the false information they provided.

15. In order to circumvent Ameriquest's refusal to pay mortgage brokers fees, and to disguise the defendants' 10% brokerage fee taken at closing, defendant WALTER BARNES caused the closing documents to falsely report this fee as disbursements on behalf of the borrower to various individuals including C.B., S.S., D.W., and V.H. BARNES used the alias of "Carrington Cooper" and COUCH used the alias of "C & C Enterprises" to disguise the payment of the secret 10% brokerage fees.

16. After the closings occurred, Ameriquest funded the loans by wiring the funds from its bank in Houston, Texas to the banks of the closing agents/title companies in Pennsylvania.

17. Defendant WALTER BARNES caused Ameriquest to provide mortgages based on false information totalling more than \$1 million. The majority of the borrowers on these mortgages defaulted, causing Ameriquest to suffer substantial losses.

OVERT ACTS

In furtherance of the conspiracy, defendants WALTER BARNES and MICHAEL COUCH, and others known and unknown to the grand jury, committed the following overt acts in the Eastern District of Pennsylvania and elsewhere:

29 East 15th Street, Chester, Pa.

1. In or about December, 1998, defendant WALTER BARNES assisted H.G. obtain a \$35,000 loan from Ameriquest on property located at 29 East 15th Street, Chester, Pa.

2. In or about December 1998, defendants WALTER BARNES and MICHAEL COUCH provided fraudulent information in the loan application to Ameriquest concerning H. L.G.'s ownership of 29 E. 15th Street property. The initial loan application falsely

represented the following:

a. that the property had been acquired a year prior to the loan application;

b. that the borrower's monthly income was \$35,937.00; and

c. that it was a refinance.

3. In or about December 1998, defendant WALTER BARNES submitted and caused to be submitted fraudulent checks to Ameriquest to demonstrate that the borrower had made repairs to the property when, in fact, none had been made.

4. On or about December 17, 1998, defendant WALTER BARNES caused a disbursement of \$1,750.00 to be made from the loan proceeds, which constituted his secret brokerage fee, by disguising it as a disbursement to C.B.

1102 Morton Avenue, Chester, Pa.

5. On or about January 1999, defendant WALTER BARNES assisted H. L. G. obtain a \$20,250.00 mortgage from Ameriquest on property located at 1102 Morton Avenue, Chester, Pa.

6. In or about January 1999, defendants WALTER BARNES and MICHAEL COUCH provided false information to Ameriquest in the loan application. The initial loan application falsely represented that:

a. the borrower was acquiring the property as a deed transfer for a dollar; and

b. the borrower's monthly income was \$35,937.00; and

c. the loan was a refinance.

7. In or about January 1999, defendant WALTER BARNES submitted and caused to be submitted to Ameriquest a deed that falsely listed a dollar as the selling price for the property.

8. On or about January 29, 1999, defendant WALTER BARNES caused a disbursement of \$1,175.00 to be made from the loan proceeds, which constituted his secret brokerage fee, by disguising it as a disbursement to C. B.

103 W.24th Street, Chester, Pa.

9. In or about December 1998, defendant WALTER BARNES assisted B.H. obtain a \$50,400 mortgage from Ameriquest on real property located at 102 W. 24th Street, Chester, Pa.

10. In or about December 1998, defendants WALTER BARNES and MICHAEL COUCH provided false information to Ameriquest in the loan applications. The initial loan applications falsely represented that:

a. the borrower had acquired the property years prior to the loan application and that the original cost was a dollar (handwritten application) and \$29,000 (typed application);

b. the borrower was employed at H. L. Green as a program manager and listed a monthly salary higher than the borrower's actual salary; and

c. the loan was a refinance.

11. In or about December 1998, defendant WALTER BARNES submitted and caused to be submitted to Ameriquest counterfeit W-2s and pay stubs for the borrower.

12. In or about December 1998, defendant WALTER BARNES submitted and

caused to be submitted to Ameriquest a deed that falsely listed the selling price as \$1 for the property.

13. On about December 31, 1998, defendant WALTER BARNES caused a disbursement of \$5,040.00 to be made from the loan proceeds, which constituted his secret brokerage fee, by disguising it as a disbursement to V.H.

1108 Thomas Street, Chester, Pa.

14. In or about January 1999, defendant WALTER BARNES assisted B. H. obtain a \$32,800.00 mortgage from Ameriquest on property located at 1108 Thomas Street, Chester, Pa.

15. In or about January 1999, defendants WALTER BARNES and MICHAEL COUCH provided false information to Ameriquest in the loan application. The loan applications falsely represented that:

- a. the borrower had acquired the property for a dollar prior to the loan application;
- b. the borrower was employed at H. L. Green as a program manager and listed a monthly salary higher than the borrower's actual salary; and
- c. the loan was a refinance.

16. In or about January 1999, defendant WALTER BARNES submitted and caused to be submitted to Ameriquest counterfeit W-2s for the borrower.

17. In or about January 1999, defendant WALTER BARNES submitted and caused to be submitted to Ameriquest a deed that falsely listed the selling price as \$1 for the property.

18. On or about January 25, 1999, defendant WALTER BARNES caused a disbursement of \$3,280.00 to be made from the loan proceeds, which constituted his secret brokerage fee, by disguising it as a disbursement to D.W.

48 W. Eighth Street, Chester, Pa.

19. In or about March 1999, defendant WALTER BARNES assisted B.H. obtain a \$37,100.00 mortgage from Ameriquest on property located at 48 W. Eighth Street, Chester, Pa.

20. On or about March 24, 1999, defendants WALTER BARNES and MICHAEL COUCH provided false information to Ameriquest in the loan application. The loan application falsely represented that:

- a. the borrower had acquired the property prior to the loan application;
- b. the borrower was employed at H. L. Green as a program manager and listed a monthly salary higher than the borrower's actual salary; and
- c. the loan was a refinance.

21. In or about March 1999, defendant WALTER BARNES submitted and caused to be submitted to Ameriquest counterfeit W-2s and pay stubs for the borrower.

22. In or about March 1999, defendant WALTER BARNES submitted and caused to be submitted to Ameriquest a deed that falsely listed no cost as the selling price for the property.

23. On or about March 29, 1999, defendant WALTER BARNES caused a disbursement of \$3,710.00 to be made from the loan proceeds, which constituted his secret

brokerage fee, by disguising it as a disbursement to Carrington Cooper, an alias of BARNES.

MICHAEL BRIDGES

4623 N. Broad Street, Philadelphia, Pa.

24. In or about 1998 and 1999, defendants WALTER BARNES and MICHAEL COUCH each at various times used the alias of Michael Bridges.

25. In or about January 27, 1999, defendants WALTER BARNES and MICHAEL COUCH used the alias of Michael Bridges to obtain a \$69,375.00 mortgage from Ameriquest on property located at 4623 N. Broad Street.

26. In or about January 1999, defendants WALTER BARNES and MICHAEL COUCH submitted and caused to be submitted a loan application to Ameriquest using the Bridges' alias. The loan application falsely represented that:

- a. the borrower was Michael Bridges with a false social security number;
- b. Michael Bridges had been employed at CBW and Associates as a program coordinator for 5.5 years;
- c. Michael Bridges had acquired the property in 1996; and
- d. the transaction was a refinance.

27. On or about January 24, 1999, defendant WALTER BARNES signed the loan applications in the alias of Michael Bridges.

28. In or about January 1999, defendant WALTER BARNES submitted and caused to be submitted to Ameriquest false pay stubs and W- 2s for Michael Bridges.

29. In or about January 1999, defendant WALTER BARNES submitted and

caused to be submitted to Ameriquest a deed that falsely listed March 10, 1997 as the date of deed transfer to Michael Bridges.

30. On or about January 27, 1999, defendant WALTER BARNES arranged to have the disbursements made from the loan proceeds to Michael Bridges sent to Michael Bridges at BARNES' business, CBW and Associates in Bala Cynwyd.

31. On or about February 11, 1999, defendant WALTER BARNES deposited and caused to be deposited a disbursement to Michael Bridges in the amount of \$5,364.37 to the First Union Bank account of C.B.

32. On or about March 4, 1999, defendant WALTER BARNES deposited and caused to be deposited a disbursement to Michael Bridges in the amount of \$2,938.26 to the First Union Bank account of C.B.

101 N. Gross Street, Philadelphia, Pa.

33. On or about January 29, 1999, defendant WALTER BARNES assisted J.R. obtain a \$69,750.00 mortgage from Ameriquest on property located at 101 N. Gross Street, Philadelphia, Pa.

34. In or about January 1999, defendants WALTER BARNES and MICHAEL COUCH provided false information to Ameriquest in J.R.'s loan application. The loan application falsely represented that:

- a. the borrower had acquired the property prior to the loan application;
- b. the borrower had a monthly salary higher than the borrower's actual salary;

c. and the loan was a refinance.

35. In or about January 1999, defendant WALTER BARNES submitted and caused to be submitted to Ameriquest counterfeit W-2s and pay stubs for the borrower.

36. In or about January 1999, defendant WALTER BARNES submitted and caused to be submitted to Ameriquest a forged real estate installment sales agreement that falsely listed the date of February 1, 1996 as the date of its execution.

37. On or about January 29, 1999, defendant WALTER BARNES caused a disbursement of \$6,960.00 to be made from the loan proceeds, which constituted his secret brokerage fee, by disguising it as a disbursement to C. B.

38. On or about February 3, 1999, defendant WALTER BARNES deposited and caused to be deposited a disbursement to C.B. in the amount of \$6,960.00 to the Sovereign Bank account of C.B.

1531 W. Nedro Avenue, Philadelphia, Pa.

39. On about February 22, 1999, defendant WALTER BARNES assisted J.R. obtain a \$60,200.00 mortgage from Ameriquest on property located at 1531 W. Nedro Avenue, Philadelphia, Pa.

40. On or about February 17, 1999, defendants WALTER BARNES and MICHAEL COUCH provided false information to Ameriquest in the borrower's loan application. The loan application falsely represented that:

- a. the borrower had acquired the property prior to the loan applications;
- b. the borrower had a monthly salary higher than the borrower's

actual salary; and

c. the loan was a refinance.

41. In or about February 1999, defendant WALTER BARNES submitted and caused to be submitted to Ameriquest counterfeit pay stub for the borrower.

42. On or about February 22, 1999, defendant WALTER BARNES caused a disbursement of \$6,020.00 to be made from the loan proceeds, which constituted his secret brokerage fee, by disguising it as a disbursement to S.S.

1916 Point Breeze Avenue, Philadelphia, Pa.

43. On or about February 27, 1999, defendant WALTER BARNES assisted W.J. obtain a \$29,250.00 mortgage from Ameriquest on property located at 1916 Point Breeze Avenue, Philadelphia, Pa.

44. On or about January 29, 1999, defendants WALTER BARNES and MICHAEL COUCH provided false information to Ameriquest in W.J.'s loan application. The loan application falsely represented that:

- a. the borrower had acquired the property for a dollar prior to the loan application;
- b. the borrower had a monthly salary higher than the borrower's actual salary; and
- c. the loan was a refinance.

45. In or about February 1999, defendant WALTER BARNES submitted and caused to be submitted to Ameriquest a false tax return for the borrower and a false income statement for the borrower's company.

46. On or about February 27, 1999, defendant WALTER BARNES caused a disbursement of \$3,150.00 to be made from the loan proceeds, which constituted his secret brokerage fee, by disguising it as a disbursement to C.B.

4171 Leidy Avenue, Philadelphia, Pa.

47. On or about February 27, 1999, defendant WALTER BARNES assisted A.D. obtain a \$43,550.00 mortgage from Ameriquest on property located at 4171 Leidy Avenue, Philadelphia, Pa.

48. On or about November 17, 1998, defendants WALTER BARNES and MICHAEL COUCH provided false information to Ameriquest in the borrower's loan application. The loan application falsely represented that:

- a. the borrower had acquired the property prior to the loan application;
- b. the property was the borrower's primary residence,
- c. the borrower was employed at Bilal Enterprises and had a monthly salary higher than the borrower's actual income; and
- d. the loan was a refinance.

49. In or about February 1999, defendant WALTER BARNES submitted and caused to be submitted to Ameriquest false, forged and counterfeit W-2s for the borrower.

50. In or about February 1999, defendant WALTER BARNES submitted and caused to be submitted to Ameriquest a deed that falsely listed the date of September 23, 1996 as the date of property transfer to A.D.

51. On or about February 27, 1999, defendant WALTER BARNES caused a disbursement to be made from the loan proceeds of \$4,355.00, which constituted his secret

brokerage fee, by disguising it as a disbursement to C.B.

1936 North 32nd Street, Philadelphia, Pa.

52. On or about March 11, 1999, defendant WALTER BARNES assisted A.D. obtain a \$21,000.00 mortgage from Ameriquest on property located at 1936 North 32nd Street, Philadelphia, Pa.

53. In or about March 1999, defendants WALTER BARNES and MICHAEL COUCH provided false information to Ameriquest in the borrower's loan application. The loan applications falsely represented that:

- a. the borrower had acquired the property for a dollar prior to the loan application;
- b. the borrower was employed at Bilal Enterprises and had a monthly salary higher than the borrower's actual income; and
- c. the loan was a refinance.

54. In or about February and March 1999, defendant WALTER BARNES submitted and caused to be submitted to Ameriquest false, forged and counterfeit pay stubs and W-2s for the borrower.

55. In or about February and March 1999, defendant WALTER BARNES submitted and caused to be submitted to Ameriquest a deed that falsely listed the date of July 17, 1996 as the date the property was transferred to A.D.

56. On or about March 11, 1999, defendant WALTER BARNES caused a disbursement of \$2,100.00 to be made from the loan proceeds, which constituted his secret brokerage fee, by disguising it as a disbursement to D. W.

1311 Tribett Avenue, Sharon Hill, Pa.

57. On or about April 1, 1999, defendant WALTER BARNES assisted C.M. obtain a \$80,100.00 mortgage from Ameriquest on property located at 1311 Tribett Avenue, Sharon Hill, Pa.

58. In or about March 1999, defendants WALTER BARNES and MICHAEL COUCH provided false information to Ameriquest in C.M.'s loan application. The loan application falsely represented that:

- a. the borrower had acquired the property for \$10,990.00 prior to the loan application;
- b. the borrower had lived at the property for two years;
- c. the borrower had a second job with Rice Home Improvements and had a monthly salary higher than the borrower's actual income; and
- d. the loan was a refinance.

59. In or about March 1999, defendant WALTER BARNES submitted and caused to be submitted to Ameriquest false, forged and counterfeit pay stubs and W-2s from Rice Home Improvement for the borrower.

60. In or about March 1999, defendant WALTER BARNES submitted and caused to be submitted to Ameriquest false, forged and counterfeit cancelled checks as evidence of monthly payments for the prior two years to the seller.

61. On or about April 1, 1999, defendant WALTER BARNES caused a disbursement of \$8,010.00 to be made from the loan proceeds, which constituted his secret brokerage fee, by disguising it as a disbursement to D.W.

62. On or about April 5, 1999, defendant WALTER BARNES deposited and

caused to be deposited a disbursement to D.W. in the amount of \$ 8,010.00 to the American Heritage FCU Bank account of D.W.

1727 Orthodox Street, Philadelphia, Pa

63. On or about March 23, 1999, defendants MICHAEL COUCH and WALTER BARNES assisted O.D. obtain a \$40,600.00 mortgage from Ameriquest on property located at 1727 Orthodox Street, Philadelphia, Pa.

64. In or about December 1998, defendant MICHAEL COUCH provided false information to Ameriquest in O.D.'s loan application. The loan applications falsely represented that: the borrower had been employed at CBW and Associates for 10 years.

65. In or about March 1999, defendant WALTER BARNES provided to defendant MICHAEL COUCH for submission to Ameriquest false, forged and counterfeit pay stubs and W-2s from CBW and Associates for the borrower.

66. On or about March 23, 1999, defendant MICHAEL COUCH caused a disbursement of \$2,500.00 to be made from the loan proceeds, which constituted his secret brokerage fee, by disguising it as a disbursement to C & C Enterprises.

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH FIVE

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. The allegations of paragraphs 1 through 4 of Count One are realleged here.
2. From in or about November 1998, to in or about June 1999, defendants

WALTER BARNES
a/k/a “Carrington Cooper,”
a/k/a “Michael Bridges,” and

MICHAEL COUCH
a/k/a “Mychal Couch,”
a/k/a “Roemella Montana,”
a/k/a “Michael Bridges,”

devised and intended to devise a scheme to defraud mortgage lenders and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

3. The allegations of paragraphs 6 through 17 of Count One are realleged here.
4. On or about each of the dates set forth below, in the Eastern District of Pennsylvania and elsewhere, defendants

WALTER BARNES
a/k/a “Carrington Cooper,”
a/k/a “Michael Bridges,”
and
MICHAEL COUCH
a/k/a “Mychal Couch,”
“Roemella Montana,”
“Michael Bridges,”

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below for each count, each transmission constituting a separate count:

<u>COUNT</u>	<u>DATE</u>	<u>SENDER</u>	<u>RECIPIENT</u>	<u>NATURE OF COMMUNICATION</u>
2	1/29/99	Chase Bank, Houston, Texas (sender - Ameriquet)	T.A. Title Financial Services, Drexel Hill, Pa. via Mellon Bank	wire transfer of \$65,341.81 for the mortgage on 101 N. Gross Street, Philadelphia, Pa.
3	1/31/99	Chase Bank Houston, Texas (sender - Ameriquet)	T.A. Title Financial Services, Drexel Hill, Pa. via Mellon Bank	wire transfer of \$65,546.90 for the mortgage on 4623 N. Broad Street, Philadelphia, Pa.
4	2/27/99	Chase Bank Houston, Texas (sender - Ameriquet)	Philadelphia Executive Abstract, Philadelphia, Pa. via First Sterling Bank	wire transfer of \$27,049.55 for the mortgage on 1916 Point Breeze Avenue, Philadelphia, Pa.
5	3/23/99	Chase Bank Houston, Texas (sender - Ameriquet)	United One Resources, Bala Cynwyd, Pa via First Union Bank	wire transfer of \$37,925.00 for the mortgage on 1727 Orthodox Street, Philadelphia, Pa.

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNTS SIX THROUGH THIRTEEN

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this Indictment:

1. The allegations of paragraphs 1 through 4, and 6 through 17 of Count One are re-alleged here.

2. On or about the dates set forth below, at Philadelphia, in the Eastern District of Pennsylvania and elsewhere, defendant

WALTER BARNES
a/k/a “Carrington Cooper,”
“Michael Bridges,”

knowingly conducted and aided, abetted, and willfully caused, the following financial transactions affecting interstate commerce:

<u>COUNT</u>	<u>DATE</u>	<u>DESCRIPTION</u>
6	1/28/99	Withdrawal of \$3,280.00 from American Heritage Account No. 207032370
7	2/03/99	Withdrawal of \$5,825.00 from Sovereign Bank Account No. 1419994176
8	2/12/99	Withdrawal of \$2,000.00 from First Union Account No. 1010002385547
9	2/17/99	Withdrawal of \$2,603.70 from First Union Account No. 1010002385547
10	3/03/99	Withdrawal of \$4,345.00 from Mellon Bank Account 000-181-2460
11	3/8/99	Withdrawal of \$2,938.00 from First Union Account No. 1010002385547
12	3/18/99	Withdrawal of \$2,100 from American Heritage Account No. 207032370

3. When conducting, aiding, abetting, and willfully causing, the financial transactions described in paragraph 2 above, defendant WALTER BARNES knew that the property involved in those financial transactions represented the proceeds of some form of unlawful activity.

4. The financial transactions described in paragraph 2 above involved the proceeds of a specified unlawful activity, that is, wire fraud, in violation of Title 18, United States Code, Section 1343, and defendant WALTER BARNES acted with the knowledge that the transactions were designed, in whole and in part, to conceal and disguise the nature, location, source, ownership and control of the proceeds of the specified unlawful activity.

All in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

A TRUE BILL:

Foreperson

PATRICK L. MEEHAN
United States Attorney